

MONTANA BOARD OF HOUSING

Burlington Square
2420 Burlington Ave
Missoula MT 59801
July 18, 2005

ROLL CALL OF BOARD

MEMBERS: Bob Thomas, Chairman (Present)
Judy Glendenning, Vice Chairman (Present)
J.P. Crowley, Secretary (Present)
Susan Moyer (Present)
Audrey Black Eagle (Present)
Jeff Rupp (Present)
Betsy Scanlin (Present)

STAFF: Bruce Brensdal, Executive Director
Jeannie Huntley, Promotions Manager
Bob Morgan, Single Family Program Manager
Mat Rude, Multifamily Program Manager
Gerald Watne, Multifamily Program Officer
Mary Bair, Multifamily Program Specialist
Justin Schedel, Multifamily Program Specialist
Jeannene Maas, Training & Development Specialist
Diana Hall, Administrative Assistant

COUNSEL: Pat Melby, Luxan and Murfitt

OTHERS: Gordon Hoven, Piper Jaffray
Alex Burkhalter, Sparrow Group
Betsy Hands, homeWord
Gerald Fritz, E. D. Capital
Gary Pendergrass, Grass LLC
Linda Rayfield, Missoula Federal Credit Union
Mike Barton, Missoula Office of Planning & Grants
Tim German, Sparrow Group
Heather McMilin, homeWord
Andrea Davis, Missoula Housing Authority
Mike Wornath, Burlington Square
Patrick Klier, Summit Management Group
Peter Hance, Missoula Housing Authority
Karen Knebel, MT Homeownership Network
Jim Morton, District XI HRC

CALL MEETING TO ORDER & APPROVAL OF MINUTES

Chairman Bob Thomas called the meeting to order at 8:30 a.m. J.P. Crowley moved to approve the June 14, 2005 Board minutes as amended. Susan Moyer seconded the motion. The Chairman asked for public comments. The motion passed unanimously.

PUBLIC COMMENTS

Mr. Thomas asked the Board, staff, and guests to introduce themselves. He asked for comments from the public.

MULTIFAMILY PROGRAM

Mat Rude said the 2006 proposed Qualified Allocation Plan (QAP) hearing will be August 3rd in Helena at 9 a.m. The final approval was received from HUD for the Risk-share loan for the Orchard Gardens Project in Missoula.

Mat Rude said the Private Placement Policy for Unrated/Unenhanced Multifamily Housing Revenue Bonds as submitted to the Board was approved by bond council. Orchard Gardens thanked Mat and Bob Morgan for working out the financing for the project. Judy Glendenning moved to approve the Private Placement Policy. Susan Moyer seconded the motion. The Chairman asked for public comments. The motion passed unanimously.

PROMOTIONAL PROGRAM

Jeannie Huntley gave the monthly highlights for Housing Division for year to date. She presented an article telling about the Montana House being featured at the Smithsonian Festival in Washington DC. Jeff Rupp asked about the selection committee for Montana House. Bruce responded that the committee has not been established yet and the Board discussed options. Jeannie said the strategic planning is going well and will be presented in August.

Betsy Scanlin said she is pursuing putting bill inserts in utility bills in her area. She praised staff for the excellent job of informing Realtors, bankers, and potential homebuyers about the programs. Judy suggested putting info in flyer boxes at the banks. Jeannene said that she has booths at Home and Garden shows and people either know about Montana Board of Housing (MBOH) or they have never heard of it.

SINGLE FAMILY PROGRAM

Bob Morgan presented the quarterly delinquency report that showed the lowest rate in the last couple years. The delinquency analysis shows the percentage of delinquencies by servicer, county, setaside, and loan type

Bob gave the Mortgage Credit Certificate (MCC) summary report. The MCC Program has 35 certificates issued and 3 reserved.

Bob gave an update on the 2005 A Program. There have been 188 loans reserved for \$19,839,363 and 219 loans have been purchased for \$22,964,903 in the program. The daily activity report showed the amount of loans reserved each day. The Reservation Activity History compared the amount of reservations each month in 2004 with each month in 2005. Bob showed a report comparing MBOH interest rates with other states on a 30-year fixed rate. The zip code report shows the cities where loans have been reserved. The statewide housing profile showed the production during fiscal year 2005 (which was the largest dollar amount of loans) and the average loan amounts and income for each county. The current interest rate is competitive so and no action was taken. The Board discussed the impact of new construction on affordability. Impact fees, land prices, and infrastructure contribute to make the cost higher.

Montana Board of Housing loans with government insurance or guarantee have a maximum purchase price limit of \$172,632. However, MBOH is starting conventional loans with Private Mortgage Insurance, so it is possible for go as high as \$204,432 for loans with private mortgage insurance or the MCC program. Bob provided information on Gallatin County for 2004. The multi list showed 1134 homes sold in 2004 and 250 of them were below the MBOH purchase price limits and MBOH financed 80 of them. Jeannene said the Flathead, Missoula, and Great Falls lenders encouraged MBOH to raise income limits for the PMI and MCC Programs. Jeff Rupp moved to raise the Purchase Price limits for the PMI and MCC Programs to the maximum of \$204,432. J. P. Crowley seconded the motion. The Chairman asked for public comments. The motion passed unanimously.

Betsy requested staff to compile information on the methods used by communities to address the situation of increased costs of land and building in growing communities that is making it more and more difficult for working families to obtain affordable housing.

The Board discussed the appropriate role the Board might take in encouraging communities to consider the issue of affordable housing for working Montana families as they plan for growth in their area. Bob Thomas said the Board could put a letter out. Pat said he could see nothing wrong with the Board gathering information as Betsy suggested on the types of Programs that are available out there, providing information about what the problem is and what the options are to address it and suggesting that city commission or town councils consider those alternatives. The staff will gather information on the programs that are available to address this issue and ways local communities are dealing with it.

Bob Morgan reported on the Teachers program in Ravalli County. Jeannene said the first two teachers were considering quitting their jobs because they couldn't find a place to live that was acceptable and affordable. When they found out that the program was available, they found a house immediately.

Karen Knebel from the Montana Homeownership Network and Neighborhood Housing Services presented a public service announcement that was aired from March 21 to June 10. She said the homebuyer education classes are running to capacity. She was pleased that the interest has turned from a requirement obstacle to wanting more information to become a homebuyer.

Bob presented the recycled setaside summary, which shows \$30,242,619 committed to setasides. Susan Moyer move to add \$1 million to extend the FTHB Saving Account program to encourage borrowers to save for down payment and closing costs. Judy Glendenning seconded the motion. The Chairman asked for public comments. The motion passed unanimously. Bob said increase in the Purchase Price limits does not apply to the setaside programs.

Bob said the training for Realtors and lenders will start on the July 25th for the Private Mortgage Insurance.

EXECUTIVE DIRECTOR'S UPDATE

Bruce Brensdal said the Director will be part of the process to approve out-of-state travel.

The NCSHA Annual Conference will be September 24-27 in Boston. Bruce asked who wanted to attend. Bob Thomas, J.P. Crowley, Susan Moyer, Judy Glendenning, and Jeff Rupp would like to attend along with several staff members

Bruce thanked Tim German and Burlington Square for their hospitality in allowing the Board to meeting in their facility. Tim invited the Board to tour a couple rooms in Burlington Square and also to Union Place for lunch.

Bruce discussed future meeting dates and locations. Bruce suggested switching the next meeting from Libby to Helena in August and then to Libby in October. Meetings are tentatively scheduled for August 25th in Helena, September 19th in Red Lodge, October 17th in Helena, and November 21st in Helena.

The meeting adjourned at 11:00 a.m.

J. P. Crowley, Secretary

Date